

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-276-C - ORDER NO. 2003-117

MARCH 5, 2003

IN RE:	Application of Universal Broadband)	ORDER GRANTING
	Communications, Inc. d/b/a Business Savings)	CERTIFICATE FOR
	Plan for a Certificate of Public Convenience)	INTRASTATE
	and Necessity to Provide Resold Intrastate)	INTEREXCHANGE
	Interexchange Telecommunications Services.)	AUTHORITY

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This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Universal Broadband Communications, Inc. d/b/a Business Savings Plan (“Business Savings Plan” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate, interexchange telecommunications services within the State of South Carolina on a resale basis. The Company’s Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 2002), S.C. Code Ann. § 58-9-520 (Supp. 2002) and the rules and regulations of the Public Service Commission of South Carolina.

The Commission’s Executive Director instructed Business Savings Plan to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Business Savings Plan’s Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Business Savings Plan

complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on February 6, 2003, at 10:30 a.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Mignon Clyburn, Chairman, presided. John J. Pringle, Jr., Esquire, represented Business Savings Plan. Jocelyn G. Boyd, Staff Counsel, represented the Commission Staff.

William D. Savage, Chief Operating Officer of the Company, appeared and testified on behalf of Business Savings Plan. The primary responsibility of the Chief Operating Officer is to direct the telecommunications operation and to "run the phone company." Mr. Savage is responsible for the strategic direction and overall operations of the following departments: Customer Service, Information Systems, Information Technology, Network Operations, Billing, Provisioning, Marketing, Sales, and Regulatory Compliance.

Business Savings Plan seeks authority to operate as a reseller of intrastate interexchange telecommunications services to the public on a statewide basis. Specifically, the Company plans to offer switched outbound and inbound long distance service, travel card service, and directory assistance service. The Company does not provide payphone services. Global Crossing will serve as the Company's underlying carrier. Mr. Savage testified that the Company can assure the Commission that any carrier with which the Company contracts for the provision of interexchange services will have been properly certified by the Commission. Business Savings Plan purchases its

services at a discount from the underlying carrier and then resells the service under its own brand name to the public. The Company will market its services by using independent agents and/or in-house sales representatives. Business Savings Plan's target market is small and medium-sized businesses.

Business Savings Plan is a Nevada corporation that has been authorized to transact business within the State of South Carolina. The Company was organized on September 8, 2000, but did not begin its actual operations until 2002. The Company is currently authorized to provide resold long distance services in over twenty states. The Company does not intend to have offices in South Carolina. Therefore, Business Savings Plan requests that the Commission waive Commission Regulation 103-610 by authorizing the Company to keep its books and records at its offices in California. Mr. Savage testified that upon request, the Company will provide any such books and records to the Commission and/or the Staff on an expedited basis and at the Company's cost.

Mr. Savage testified that, as evidenced by the management profiles as an exhibit to the original application, the Company has the necessary managerial and technical expertise. The testimony reveals that the Company's managerial and technical expertise is evidenced by its current operations in other states. Mr. Savage has a history of more than fifteen years of comprehensive experience in senior leadership positions for a number of telecommunications companies. Mr. Savage was previously the President of Matrix Telecom, Senior Vice President of retail operations and managing director of International Exchange Communications, and Vice President of customer service and administration at Excel Telecommunications in Dallas. Mr. Mark Ellis is the Company's

president and he has held this position since 2001. Prior to that, Mr. Ellis worked in sales and marketing in the Company. Mr. Steve Garcia is the Company's Chief Financial Officer. He previously worked for CCC Global Com and Price Waterhouse.

Regarding the Company's financial resources to provide telecommunications services in South Carolina, Mr. Savage testified that Business Savings Plan is adequately funded for continuous operations. At the hearing, Mr. Savage testified that the Company has picked up significant revenue in a short time. Additionally, the Company has acquired several companies recently which include Monarch Communications, New Millenium Development group and U-Net Commerce. Business Savings Plan has access to additional capital available through private financing. The Company also uses Generally Accepted Accounting Principles to maintain its financial records.

The Company currently has thirty-nine employees. Seven of these employees are in customer service. The customer service department is in operation from Monday through Friday, from 6:00 a.m. to 6:00 p.m. pacific standard time. After hours, Business Savings Plan has an Information Technology (IT) department that can handle technical problems. The Company's customer service number is 800-390-8959. When verifying that a new customer wants to switch to Business Savings Plan, the Company requires a customer to sign a letter of authorization and the Company uses third party verification.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Business Savings Plan is organized as a corporation under the laws of the State of Nevada and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Business Savings Plan is a provider of long distance services and wishes to provide long distance services in South Carolina.

3. Business Savings Plan has the experience, capability, and financial resources to provide the services as described in its Application.

4. The Commission finds that Business Savings Plan should be granted a waiver of 26 S.C. Code Regs. 103-610 requiring that reports and records be maintained within the State of South Carolina.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Business Savings Plan to provide resold intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Business Savings Plan for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for

adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Business Savings Plan shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. Business Savings Plan shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for the interexchange services reflected in the tariff, which would be applicable to the general body of the Company's subscribers, shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 2002).

4. If it has not already done so by the date of issuance of this Order, Business Savings Plan shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations. Further, Business Savings Plan shall file a copy of its Bill Form as required by 26 S.C. Code Ann. Regs. 103-612.2.2 and 103-622.1 with its final Tariff.

5. Business Savings Plan is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to Business Savings Plan's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Business Savings Plan shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Business Savings Plan changes underlying carriers, it shall notify the Commission in writing.

8. Business Savings Plan shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Business Savings Plan shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.state.sc.us/forms. The title of this form is "Annual Information on South Carolina Operations for Interexchange Companies and AOS." This form shall be utilized by the Company to file annual financial information with the Commission. Commission gross receipts forms are due to be filed with the Commission no later than October first of each year.

9. Business Savings Plan shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, Business Savings Plan shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Business Savings Plan shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.state.sc.us/forms; this form shall be utilized for the provision of this information to the Commission. Further, Business Savings Plan shall promptly notify the Commission in writing if the representatives are replaced.

10. With regard to the origination and termination of toll calls within the same LATA, Business Savings Plan shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. By its Application and testimony at the hearing, Business Savings Plan requested a waiver from the Commission's requirement to maintain its books within the State of South Carolina according to 26 S.C. Code Ann. Regs. 103-610 (1976). The

Commission grants Business Savings Plan's request to waive the record keeping regulation so that its books and records may be kept at its principal office and headquarters in California. We also grant the Company's request to maintain its books in accordance with GAAP.

12. Each telecommunications company certified in South Carolina is required to file annually the Intrastate State Universal Service Fund (USF) worksheet. This worksheet provides the Commission Staff information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than August 15th.

13. Business Savings Plan is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

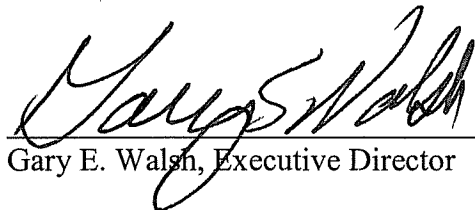
14. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)